

## HIE Workgroup Meeting Summary

<b>Workgroup:</b>	AR HIE Finance Workgroup
<b>Meeting Date:</b>	Monday, March 8, 2010 from 2:30-4:35pm
<b>Location:</b>	ACHI, 1401 West Capitol, Suite 300 Victory Building, Little Rock, AR 72201

### Agenda Items:

Welcome/Introductions, Straw Proposal, Financial Principles for HIE, Finance Model Analysis, Player & Payers - Implications for HIE Financing, Homework - Comment on Draft "Straw Proposal"

In Attendance: Jake Bleed, Herschel Cleveland, Billie Jean Davenport, Joan Diehl, Jason Lee, Byran Meldrum, Ray Scott, Bruce Thomasson, Hannah Vogler, Randy Zook

### Discussion Highlights:

#### Straw Proposal

- Ray - general news, had call with ONC Project Officers and the Technical Assistance Team; we need to narrow our focus because we all have different perspectives and different experiences, but need to go from conversations to movement. We are going to build on conversations and narrow ideas based on the realities we are facing - like deadlines and expectations. The Workgroup staff members are working together to get a straw proposal on the table by the end of this week.

- Jason - what is going to be included? Plan mechanisms, operational?

- Ray - yes, all of that. We will base the straw proposal on the guidelines in the State HIE Toolkit and on some assumptions we are making. For the strategic plan, not expressing all the limitations we are facing for Finance

#### Assumptions:

- Jason - #1, maybe use leveraged, not obtained

- Joan - is the HIE system not going to do Medicaid claims that they currently use another system for?

- Ray - that is on the table, we are doing use cases for various potential partners

- Joan - data collection, manipulation, or just access?

- Ray - access, but also based on needs/functions needed by partners; argument would be that if we provide something for Medicaid, they pay for it

- Bryan - so that would be the same type of service/use cost to others?

- Jason - has it been discussed to do use case around public schools?

- Ray - yes, working on it

- Jason - #3 what "services" would be provided? Need to define services - access, manipulation, other services

- Joan - if processing, isn't that a service that would be in the future?

- Bryan - #5, for example if Blue Cross has a record, we get them to open that up to the consumer

- Ray - could be, this was thinking more along the lines of infrastructure, but wouldn't rule out software

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- Herschel - What % of utilization would each "user" have? Look at that group of users to see where we can raise money, but treat everyone the same; there are two ways to go, example of starting Disney World - you can do it on a string but you have to build at least one section that will bring enough people to pay off the debt - or can build it all at once. What module is big enough to be successful? Too little money and we won't have enough use.

- Randy - Should private sector own and run as a profit-making venture?

- Ray - #4, could, but maybe later down the line

- Jake - #4, if doing that, really need to look at establishing benefits

- Hannah - going to take comments: #1 - change obtained to leveraged; #2 - leave; #3 - really need to think about what it means to "provide" and what are "services"; #4 - Currently available federal funds could be viewed..." and we need to make sure we don't give away all access to intellectual property and development; #5 - need to include all resources, not just funds; #6 - maybe change should to will

### Financial Principles

- Bryan - small pool paying large amount of money for benefit

- Jason - who is responsible for defining fee, cost, user, etc.? Shouldn't we do this?

- Hannah - will see how they are currently defined so that we can figure that out in relation to our work.

- Hannah will put together comments and notes to draft Principles so we can vote at next meeting

### Financial Models

INA:

- Ray - created by legislature, the board was established under state law and reflects public and private; Arkansas.gov is INA-run site, INA gave all initial money, no state money was used although some state agencies now pay for services; they have about a \$5mm/year operating budget in Arkansas; offer transaction and subscription services ie insurance and DMV inquiries (DMV is the largest source of money per Randy), were able to get to functionality/sustainability because they build on existing infrastructure

- Herschel - they do work for counties and cities - it is self-funded, but have a lot of work to get a lot of them going, probably could go faster but need to make sure it's going to be profitable

- Ray - focus is how do we get people what they want

- Jake - NIC thinking about HIE and how they might be involved

- Joan - did they take the risk?

- Ray - yes, if people don't buy it, they don't make money

- Herschel - state gets a % of their net into a fund

- Randy - the fund is probably about \$600-700,000 now

- Herschel - it's about \$800-900,000

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- Ray - their view of a customer is someone willing to pay for information they want; our view is different because we have those who need to be convinced they want this, so it's a very different customer base

- Jason - What about competition issue? Can another vendor fulfill this? INA would be hard to unseat.

- Joan - AAAHC issue, they had one vendor for a long time, then eventually changed parameters and awarded contract to two vendors; so could end up with two vendors even after having one for awhile

- Herschel - need accountability in structure so that operational interest and best interest of customer is met or they get fired

- Ray - management and oversight needed from governing body, and need to not contract away intellectual capital

Connect AR:

- Ray - legislature created private nonprofit, they have HIT role via technology/broadband access, have had some trouble with sustainability

Public Service Commission:

- Ray - two articles to look at; one shows potential changes to Universal Service Fund; need to look more into PSC

- Bruce - Universal Services Fund not really helpful in health; still trying to get \$4.2 million promised three years ago, so may get infrastructure but it will be useless without sustainability

**HOMEWORK** - We will send out the straw proposal on Friday so that you can look over it and send comments back. We will discuss the Straw Proposal at the meeting on the 19th.

### Assignments:

<b>Task(s)</b>	<b>Assigned Member(s)</b>	<b>Completion Date</b>	<b>Reporting Method</b>
find definitions of fee, cost, user, etc.	Hannah	next mtg (3/19)	next mtg (3/19)
go over draft straw proposal	all WG members	Thurs, 3/18	email to Hannah
draft financial principles	Hannah	next mtg (3/19)	next mtg (3/19)